

ILLINOIS COMMERCE COMMISSION
STAFF DATA REQUEST

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Utility Company: MidAmerican Energy Company
Docket No.: 05-0017
Date of Response: February 24, 2005
Responder: Kenneth Marchinda, Book Manager, 515-242-4269
Witness: A. Robert Lasich, Vice President, Gas Supply & Trading,
515-281-2783

05-0017

Staff

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ICC 1.03 Provide an explanation of how VAR Trading Group employee Ken Marchinda, who charges the majority of his time to supporting the natural gas trading needs of the Unregulated End-User group, operates independently of the regulated gas operations. Indicate how his time is charged that is not spent supporting the Unregulated End-User group.

Response: The VAR Trading group has two primary responsibilities or functions: (i) provide trading services to the Unregulated End-User group, Marketing and Sales organization, the Gas Supply Planning group and MidAmerican's Electric Trading organization; and (ii) earn trading margins for MidAmerican. Ken Marchinda, Book Manager is considered a "shared" employee. His primary job responsibility is VAR trading to earn margin from his trading activities for MidAmerican. This is accomplished through trading for MidAmerican's VAR book, but also includes the hedging of Unregulated End-User group financial positions and the hedging of the Marketing and Sales' organization's financial positions. Mr. Marchinda also manages the financial natural gas transactions for MidAmerican's Electric Trading organization through the hedging of its requirements for gas-fired generation. Mr. Marchinda does allocate time to the Electric Trading organization for this service.

Mr. Marchinda's other responsibilities include market and price analysis, technical analysis of the natural gas NYMEX contract, working on special projects and various other reporting and administrative requirements.

As a "shared employee", Mr. Marchinda does necessarily operate independently of the regulated retail natural gas operations. On occasion, Mr. Marchinda may serve as backup for Vickie Wonder, the Regulated

Bock Manager; however in such instances, he charges no time to the Gas Supply Planning group for this backup service.